



SO ORDERED.

SIGNED this 13 day of May, 2024.

A handwritten signature in blue ink that reads "David M. Warren".

David M. Warren
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
WILMINGTON DIVISION

IN RE:

TSR, LLC

CASE NO: 23-01577-5-DMW

DEBTOR

CHAPTER 7

CONSENT ORDER GRANTING MOTION TO APPROVE COMPROMISE

THIS MATTER comes before the United States Bankruptcy Court for an order granting authority to approve the settlement and compromise as set forth in the Motion to Approve Compromise [Dkt. # 51] (the “Motion”). The Court, upon the consent of the parties, finds the following:

1. The Debtor filed a Chapter 7 Petition in the United States Bankruptcy Court on June 8, 2023. John C. Bircher III was appointed Chapter 7 Trustee on June 12, 2023.

2. The Debtor and its principal, Justin LaNasa, along with a non-debtor entity, Dungeon Hobby Shop Museum, LLC (Justin LaNasa and Dungeon Hobby Shop Museum, LLC are collectively referred to as the “TSR Parties”) engaged in pre-petition litigation, Case No. 2:21-cv-1705 (the “Lawsuit”) in the Western District of Washington (“WDWA”) seeking a declaratory judgment that Wizards does not own various trademarks originally established by TSR, Inc., an unrelated company and the original owner of the marks in question.

3. Wizards answered the complaint filed by the Debtor and the TSR Parties, asserting its common law trademark rights, along with counterclaims against the Debtor and the TSR Parties.

4. The WDMA litigation is stayed as a result of Debtor’s bankruptcy filing.

5. Wizards and the Trustee have compromised and resolved the issues surrounding

the Lawsuit, and have agreed to the following terms as set forth in the Settlement Agreement attached to the Motion as Exhibit A¹:

a. Wizards shall pay the Estate \$15,000.00 for resolution of the Debtor's claims made in the Lawsuit within ten (10) days of the approval of this 9019 Motion and transfer of the Registered and Pending Trademarks and any unregistered trademarks related thereto;

b. Trustee shall, within 10 days of the entry of an order approving this settlement, execute all documents necessary to assign any and all rights in the Registered and Pending Trademarks and any unregistered trademarks related thereto to Wizards.

c. The Trustee shall dismiss with prejudice all claims asserted by the Debtor in the Lawsuit within three (3) days of the payment of the funds referenced above. Wizards shall dismiss without prejudice all claims asserted by Wizards against the Debtor within three (3) days of the payment of the funds referenced above. Wizards' Proof of Claim in this bankruptcy shall be an allowed, unsecured claim, which shall resolve Wizards' claims in the Lawsuit against the Debtor. Wizards expressly reserves all claims in the Lawsuit against the TSR Parties, and the stay of the Lawsuit shall be automatically lifted upon approval of this settlement, at which time Wizards shall be free to pursue its claims in the Lawsuit against the TSR Parties.

d. The Trustee, on behalf of the Debtor, shall release any and all claims against Wizards relating in any way to the claims asserted by the Debtor in the Lawsuit. This release specifically excludes any claims that were or could be asserted by the TSR Parties in their own names and such claims, to the extent they exist, are not released by approval of the Motion.

6. Trustee represents that the provisions of this settlement are in the best interest of the Debtor's estate for the following reasons:

a. The Settlement Agreement minimizes litigation expenses and other related expenses associated with the Lawsuit, providing finality to this case.

b. The Settlement Agreement serves to address all possible claims that the Trustee has against Wizards for the benefit of the creditors in the bankruptcy proceeding and all claims that Wizards has against the Debtor.

¹ The full terms of the settlement are set out in Exhibit A attached to the Motion. The summary below is not exhaustive of the full settlement terms. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Settlement Agreement attached to the Motion.

c. The Settlement Agreement brings funds into the Debtor's estate and allows the Trustee to pay administrative expenses and a distribution to unsecured creditors.

7. Trustee reviewed the claims of the Debtor and has determined that it is in the best interest of the estate to receive a cash payment immediately to facilitate the funding of a dividend to creditors, rather than expending administrative costs to continue the Lawsuit with the small chance that any judgment could be rendered in the Debtor's favor that would be equal to or greater than the cash amount of the settlement.

8. The terms and conditions of the Settlement Agreement are APPROVED by the Court pursuant to Rule 9019 because the compromise reached is fair, equitable, and in the best interests of the Debtor, the bankruptcy estate, creditors and parties in interest.

9. The allowance of Wizards' Proof of Claim in this bankruptcy is protected by the Federal Rules of Evidence 408 and shall not constitute res judicata or collateral estoppel with respect to Wizards' claims against the TSR Parties, the TSR Parties' defenses to such claims, or any claims that the TSR Parties could assert in their own names.

THEREFORE, based upon the representations of the Trustee concerning the terms and conditions of this Compromise,

IT IS ORDERED ADJUDGED AND DECREED that the Motion IS GRANTED.

WE CONSENT:

/s/ John C. Bircher III
JOHN C. BIRCHER III
Attorney for Chapter 7 Trustee, TSR, LLC
N.C. State Bar # 24119
DAVIS HARTMAN WRIGHT, LLP
209 Pollock Street
New Bern, NC 28560
(252) 262-7055 Tel/Fax
jcb@dhwlegal.com

/s/ Brian D. Darer
Brian D. Darer
N.C. State Bar # 25383
PARKER POE ADAMS & BERNSTEIN LLP
301 Fayetteville Street, Suite 1400
Raleigh, NC 27601
(919) 828-0564
briandarer@parkerpoe.com
Attorneys for Wizards of the Coast LLC

/s/ Jason L. Hendren
Jason L. Hendren
N.C. State Bar No. 26869
HENDREN, REDWINE & MALONE, PLLC
4600 Marriott Drive, Suite 150
Raleigh, NC 27612
(919) 573-1422
jhendren@hendrenmalone.com
Attorneys for TSR Parties

END OF DOCUMENT